

Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

14 July 1988

Brazil: Growing Military Influence [REDACTED]

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Summary

Three years after formally giving up power, the Brazilian armed forces are taking an increasingly visible role in political decisionmaking. Motivated by concerns over political disarray and a desire to protect institutional interests, the military has taken a strong hand in the work of the Constituent Assembly in drafting the new constitution, and it is also weighing in on economic policy. While the military is clearly a force for political order and stability, its economic role--in support of nationalist, protectionist measures--runs counter to US interests. In any case, we doubt that the armed forces will derail the transition to a democratic system. [REDACTED]

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After twenty one years in power, Brazil's military returned to the barracks in 1985 as part of a lengthy transition to freely elected civilian government, but it did not relinquish its protective authority over the nation's well-being. Key officers continue to play a decisionmaking role and, indeed, in recent months have increasingly involved themselves in national affairs

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to compensate for the weaknesses in the transition government.¹ The military hierarchy views its exercise of political influence as both a right and an obligation, in line with the armed forces' traditional role of intervention in the political system when it becomes unbalanced. The military has also inserted itself more in the economic arena, displaying a strong nationalistic bent stressing autarky in critical areas--especially technology acquisition and resource exploitation. [redacted]

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Recent military intrusions into policy have been cautious and selective, with the officers showing a high level of tolerance for the many vagaries of the newly reemerging civilian politics. To some extent, we believe this reflects the military's recognition that its past monopoly on power stunted the growth of civilian institutions, and that time and patience will be needed to achieve political normality. In the economic area, we believe the military's relative restraint reflects a similar acknowledgement that there are no easy solutions to the economic problems Brazil now faces. Nevertheless, the top officers have firmly drawn the line when they have perceived Brazil's political stability or internal security to be at stake or when they found military institutional interests threatened.

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The Military Flexes Its Muscles

The military has been least subtle about flexing its muscle when it believes politicians are trespassing on its own affairs. According to the US Embassy, top officers used an intensive behind-the-scenes and public lobbying campaign to fight proposals last September and this June in the Assembly that would have granted amnesty to and reinstated with back pay leftist officers cashiered after the military took power in 1964. [redacted]

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[redacted] the military lobby in the Assembly was ordered to use all means at its disposal--including bribery--to beat back the measure definitively. By similar means, the military in April fought off a proposal to inhibit its long established role in maintaining domestic security. The officers also overrode an effort to create an unprecedented, single ministry of defense--a move aimed at diluting military influence. Likewise, they have ensured that, despite a reorganization of the

¹These key officers include six with cabinet rank--the ministers of Army, Navy, and Aeronautics, the head of the National Intelligence Service, the chief of the Armed Forces Joint Staff, and the President's personal military affairs adviser. In addition we include the four-star officers who command a dozen or so major military entities and the chiefs of staff of the three armed forces

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National Security Council apparatus, military and security matters will continue to be treated as before--with their own role undiminished. [redacted]

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The officers also campaigned especially hard against a plan in the Assembly to install a parliamentary system and to hold a presidential election this year, rather than in 1989. [redacted]

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[redacted] the officers saw the parliamentary system as unworkable and potentially destabilizing, and they feared that a presidential election in the midst of major economic decline would improve the chances of leftist opposition parties. As a result, the Assembly defeated the parliamentary proposal and voted to give future chief executives a five year term. It then extended President Sarney's term through 1989. [redacted]

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With their activism, the top brass have altered the substance and complicated the process of making economic policy. For example, [redacted] in April, senior officers met to discuss the nation's economic situation and subsequently opposed a plan by Finance Minister Nobrega to freeze public sector wage increases for three months. They insisted he limit the freeze to just two months--and only reluctantly agreed to that. [redacted]

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[redacted] the military continues to lobby hard against drastic military budget reductions. The military even issued its own set of economic proposals in early April, published in a major news daily. In this document the officers acknowledged the urgent need to cut government spending and finally endorsed some proposals already made by the administration, but left no doubt that they opposed a truly sweeping fiscal overhaul. [redacted]

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Reflecting their nationalistic bent, the officers also strongly backed protectionist economic measures in the new constitution, which all but eliminate foreign investments in oil and mineral exploration and exploitation. The draft language strictly defines what constitutes a "national" company and grants such firms various preferences. Press reports indicated that Assembly delegates met with military officers from the National Security Council to discuss these issues just before the vote. Both the head of the Armed Forces Joint Staff and the aeronautics minister made strong public calls for protection against foreign economic control. [redacted]

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Military Motives

We believe the military is motivated by several broad concerns. One is an apparently growing worry that the still evolving political system has not been working and needs to be

righted, so as to ensure stability. Over the past year the officers became acutely aware that President Sarney was failing to provide political leadership--his governing coalition fell apart last October, discord reigned among Cabinet officers, and political party leaders pulled in opposing directions. In the meantime, ongoing efforts to draft a new constitution and define the system of government became chaotic, with politicians of all stripes proposing endless amendments in a undisciplined, almost leaderless environment. [REDACTED]

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The military's activism on the economic front also reflects its concern over the debilitating effects of continued economic deterioration. Government indecisiveness led to stop-and-go economic policies that only added to the problem, including soaring inflation. A spate of strike activity in April and May pointed up the problem of eroding purchasing power and attendant unrest. At the same time, the officers fear that budget cuts and general economic austerity threaten long-delayed ambitious programs to modernize and upgrade equipment and forces. [REDACTED]

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We believe the manner in which the officers have exerted their influence to date strongly suggests they prefer to operate within the current civilian political structure, not put it aside. Furthermore, the military has largely relied on persuasion, rather than sheer threats, to influence politics. For example, the military's well organized congressional lobbying group, in operation since the Assembly opened in early 1987, proved highly effective in swaying delegates on the parliamentary issue. The lobby was especially adept at specifically targeting and winning over fencesitters, [REDACTED]. To drive home the point more firmly, the aeronautics minister spoke out publicly about the many drawbacks of a parliamentary system, arguing that Brazil lacked the strong parties to make such a system work and that the brief experiment with parliamentarism in the early 1960s had been partly to blame for the political chaos that preceded the 1964 military takeover. [REDACTED]

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Because the officers are concerned about social unrest, they also have reacted vigorously to recent expressions of popular discontent. When public sector workers sought to strike over the temporary wage increase freeze, the high command issued increasingly blunt warnings. The military made a show of force in Rio de Janeiro this April when it feared workers would try to shut down port operations. This May, army troops occupied three hydroelectric power plants when workers threatened to cause an electrical blackout, and they broke up a strike at a large oil production facility. Finally, that same month the army repressed a planned peaceful march by Black Rights Activists protesting racism, overriding state civilian authorities who had approved

the demonstration. The local Army commander cited reports that marchers, incited by radicals, had planned to deface a national military memorial. [REDACTED]

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Outlook

We believe the military will continue its tutelary political interventions, both to protect its institutional interests and to insure against a fatal stumble along the road to full democracy. The very factors that prompted the military's reactions to date--weak leadership at the top, social unrest, major political uncertainty, economic decline--are still present and of high concern to the officers. The military is probably buoyed by its success so far in influencing national developments. But we do not foresee any of these problems deteriorating to the point where the military would feel it had little choice but to assume control. Moreover, the high command recognizes that with the transition to directly elected civilian rule--the goal the military itself espouses--so far advanced, a takeover would prompt an overwhelming popular backlash. [REDACTED]

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Nevertheless, we see potential trouble spots that could add to the concern of the military. The continuing decline of the economy could lead to an increase in labor strikes, and the armed forces will be disposed to act vigorously if the need arises. Moreover, the officers will carefully monitor the approach of scheduled municipal elections later this year. In difficult times, the appeal of leftist or populist candidates could grow, and the military may be tempted to utilize the intelligence and security services to discredit or harass such candidates. [REDACTED]

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The high command will probably continue to press for substantial military wage hikes to keep pace with inflation, primarily because of concern over the effect of wage erosion among the troops. Although the administration has removed one senior officer for speaking out harshly against Brasilia's economic policies, we do not believe this will chasten the military, which will also want to sharply limit reductions in armed forces program budgets. Thus, as Brasilia seeks to accommodate international creditors and the IMF, it will face military constraints on the policy options it can apply at home. [REDACTED]

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Military activism poses some downside risks for the institutionalization of civilian government over the longterm. The previous two decades of military rule have served to freeze civilian politics in the past, with its tradition of personalism and weak party structures. The lack of fresh leadership is underscored by the current political wisdom that two old warhorses of the early 1960's who are both anathema to the

military--Leonel Brizola and ex-president Janio Quadros--will be the contenders for the presidency in 1989. If such a contest were to emerge, the military would be hard pressed to stand by and simply allow the political transition to continue.

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